



## HIGH COST AREA HOME PURCHASE ASSISTANCE PROGRAM

|                              |   |
|------------------------------|---|
| <b>PROGRAM DESCRIPTION</b>   | <p>The <b>High Cost Area Home Purchase Assistance Program (HiCAP)</b> makes homeownership a possibility for first-time homebuyers in the high cost housing areas of California. The program consists of two loans:</p> <ol style="list-style-type: none"> <li>1. A CalHFA below market rate first mortgage loan, and</li> <li>2. A deferred payment low interest rate second loan up to \$25,000 to be used for downpayment assistance. The second loan has a low simple interest rate and a term of 30 years; however, payments on the second loan are deferred for the life of the first loan.</li> </ol> <p>In addition, CalHFA will permit homebuyers to use other CalHFA-approved downpayment assistance loans or grants to help in the acquisition of the home. A list of potential opportunities can be found at: <a href="http://www.calhfa.ca.gov/homeownership/programs/ahpp.htm">www.calhfa.ca.gov/homeownership/programs/ahpp.htm</a></p> |
| <b>TARGET MARKETS</b>        | <p>This program is intended for borrowers purchasing in the high cost counties of Alameda, Contra Costa, San Diego, San Francisco, San Mateo, Santa Clara, Sonoma and Ventura. In general, these counties represent areas of high employment and/or high housing costs, and have a greater need for more sources of affordable housing.</p>   |
| <b>PARTICIPATING LENDERS</b> | <p>CalHFA approved Lenders.<br/> <a href="http://www.calhfa.ca.gov/homeownership/approvedlenders/index.htm">www.calhfa.ca.gov/homeownership/approvedlenders/index.htm</a></p>   |
| <b>BORROWER ELIGIBILITY</b>  | <p>Borrowers must meet the following requirements:</p> <ul style="list-style-type: none"> <li>• Be a U.S. citizen or permanent resident alien or qualified alien</li> <li>• Be a first-time homebuyer</li> <li>• Occupy the property as their primary residence; non-occupant co-borrowers are not allowed</li> <li>• Meet CalHFA-defined income limits</li> <li>• Meet credit, income and loan requirements of the CalHFA lender and the mortgage insurer</li> </ul>   |
| <b>PROPERTY ELIGIBILITY</b>  | <p>Properties must meet the following requirements:</p> <ul style="list-style-type: none"> <li>• Within CalHFA-defined sales price limits</li> <li>• Property must be located in one of the eligible counties referenced above (see Target Markets)</li> <li>• Be a single-family, one-unit residence, including condo/PUDs</li> <li>• Manufactured housing is allowed if permanently attached, fee simple title</li> </ul>   |

|                                 |  |
|---------------------------------|--|
| <b>TRANSACTION TYPE</b>         | Purchase transactions only.  |
| <b>INTEREST RATE</b>            | CalHFA offers a unique interest rate for this program. A list of current rates is available by either contacting a CalHFA-approved Lender or visiting the Agency's web site at <a href="http://www.calhfa.ca.gov">www.calhfa.ca.gov</a>  |
| <b>MAXIMUM LOAN AMOUNT</b>      | First loan: Maximum as allowed by mortgage insurer, subject to borrower credit eligibility.<br>Second loan: \$25,000   |
| <b>INCOME LIMITS</b>            | Borrower's income cannot exceed CalHFA's income limits established for the county in which the borrower is purchasing.<br><a href="http://www.calhfa.ca.gov/homeownership/rates-limits/income/index.htm">www.calhfa.ca.gov/homeownership/rates-limits/income/index.htm</a>   |
| <b>SALES PRICE LIMITS</b>       | Sales price of the home cannot exceed CalHFA's published sales price limits.<br><a href="http://www.calhfa.ca.gov/homeownership/rates-limits/salesprice/index.htm">www.calhfa.ca.gov/homeownership/rates-limits/salesprice/index.htm</a>   |
| <b>MORTGAGE INSURANCE</b>       | Mortgage insurance is required unless the loan-to-value (LTV) on the first loan is 80% or less. Acceptable mortgage insurers/guarantors include: FHA, VA, & CalHFA's Mortgage Insurance Services Division.   |
| <b>REPAYMENT OF SECOND LOAN</b> | Repayment of the principal and interest on the second loan shall be due and payable at the earlier of the following events: <ul style="list-style-type: none"> <li>• Transfer of title</li> <li>• Sale of the residence</li> <li>• Payoff or refinance of the first loan</li> <li>• Upon the formal filing and recording of a Notice of Default (unless rescinded)</li> </ul>  |
| <b>HOW TO APPLY</b>             | For instructions on applying for financing, contact one of CalHFA's approved Lenders or visit our web site at:<br><a href="http://www.calhfa.ca.gov/homeownership/index.htm">www.calhfa.ca.gov/homeownership/index.htm</a>   |
| <b>QUESTIONS</b>                | Questions regarding the High Cost Area Home Purchase Assistance Program should be directed to CalHFA approved Lenders or the CalHFA's Homeownership Division at: <ul style="list-style-type: none"> <li>• P.O. Box 4034, Sacramento, CA 95812</li> <li>• Phone: 916.324.8088</li> <li>• Email: <a href="mailto:homeownership@calhfa.ca.gov">homeownership@calhfa.ca.gov</a></li> <li>• Web site: <a href="http://www.calhfa.ca.gov">www.calhfa.ca.gov</a></li> </ul> |

#### **IMPORTANT DISCLOSURE INFORMATION:**

The information provided in this program description is for guidance only. While we have taken care to provide accurate information, we cannot cover every circumstance nor program nuance. This program description is subject to change from time to time without prior notice. CalHFA does not discriminate on the basis of disability in employment or in the admission and access to its programs or activities.

11/03